



OCEANIC IRON ORE CORP.

**Ste. 3083 – 595 Burrard Street
Vancouver, BC V7X 1L3
Tel: 604 566 9080
Fax: 604 566 9081**

September 21, 2011

TSX Venture Exchange: FEO
OTCQX : FEOVF

PRESS RELEASE

OCEANIC IRON ORE CORP. ANNOUNCES HOPES ADVANCE NI 43-101 RESOURCE ESTIMATE

Vancouver, BC, September 21, 2011 - Oceanic Iron Ore Corp. (the “Company”, “Oceanic”) owns 100% of the Ungava Bay Property which comprises three project areas: Hopes Advance, Roberts Lake and Morgan Lake.

The Company is pleased to announce that it has received the results of a National Instrument 43-101 resource estimate prepared by Micon International Limited (“Micon”) in respect of the Hopes Advance Project Area (“Hopes Advance”).

Highlights:

- 358.3 million tonnes of indicated in-pit resource at a 31.8% total iron with a 38.2% crude to concentrate weight recovery at a total iron cut-off of 25%
- 872.4 million tonnes of inferred in-pit resource at a 32.4% total iron with a 39.0% crude to concentrate weight recovery at a total iron cut-off of 25%
- The new resource estimate is significantly larger than the historic resource by a factor of over 180%
- It is expected that the results of a Preliminary Economic Assessment (“PEA”) will be released shortly
- A resource estimate update upon receipt of additional assay data from approximately 70 drill holes is expected before the end of this calendar year

Steven Dean, Chairman and CEO noted: *“The resource estimate prepared by Micon in respect of Hopes Advance exceeds our resource target set earlier this year. The new resource estimate is 180% larger than the historic resource and is expected to increase once we take into account additional assay data that is still to be received. There is also significant potential upside from the Roberts Lake and Morgan Lake project areas, which are not addressed in this resource estimate and which have historic resources of approximately 1.8 billion tonnes*.”*

**These are historical resource estimates that do not comply with the current Canadian Institute of Mining, Metallurgy and Petroleum Resources (CIM) Definition Standards on Mineral Resources and Mineral Reserves as required by National Instrument 43-101 (NI 43-101) Standards of Disclosure for Mineral Projects. These historical resource estimates were described as "drill indicated" and*

"potential" at the time of reporting which does not correspond to the categorization set forth in sections 1.2 and 1.3 of NI 43-101. Although these historical resource estimates are relevant to support the presence of large areas of iron mineralization, these estimates are speculative, are based on very limited exploration drilling and will require extensive new exploration and metallurgical efforts to validate. They should not be treated as current mineral resources or reserves or relied upon until confirmed by current exploration and a Qualified Person. A Qualified Person has not done sufficient work to upgrade or classify these historical resource estimates as current NI-43-101 compliant mineral resources. The Roberts Lake historic resource was reported in 1970 from drilling in the late 1950s and the Morgan Lake historic resource was reported in 1957 and 1964. Further information in respect of these historic resources is outlined in a 43-101 technical report prepared by Micon entitled "Technical Report on the Ungava Iron Property - Ungava Bay Region, Quebec, Canada" dated Oct. 29, 2010, available on SEDAR.

Exploration Program

The 2011 exploration drilling program on Hopes Advance consisted of 115 drill holes with 11,581 m of NQ calibre drilling. At Kayak Bay (in the Robert's Lake region) 11 drill holes have been completed totaling 1,086 m of NQ calibre drilling.

At Hopes Advance, 67 historical drill holes were twinned. The twinned drill holes were within one meter of the historical drill hole site maintaining the same orientation and dip angle. All the historical drill hole sites were located and surveyed as well as the drill holes from the current program. The new drill holes were all logged and sampled with sample lengths being collected up to a maximum length of two meters. Assay samples collected are sent to ALS Chemex for Whole Rock analysis by lithium borate fusion and XRF (oxides), ferrous iron by H₂SO₄ – HF and acid digestion and titrimetric finish, and Total Sulphur by the LECO method. The total Fe assays and geological interpretation between the historical drill holes and the current drilling are very comparable. Composite samples within similar iron formation units have been prepared on each drill hole and are being sent to SGS Lakefield to conduct bench scale metallurgical testing on some 800 samples from Hopes Advance. The bench scale testing will include head assays, Mozley table gravity testing, and Davis tube testing.

At Hopes Advance, 43 exploration holes were completed on Castle Mountain, Zone 4, Iron Valley, Bay Zone B, Bay Zone C, Bay Zone D, Bay Zone E, and Bay Zone F. The new exploration drilling has successfully extended mineralization on Castle Mountain, Zone 4, Iron Valley, Bay Zone B and Bay Zone F. On a number of zones, Castle Mountain, Zones 2 and Bay Zone F in particular, certain drill hole intersections demonstrate greater iron mineralization thicknesses than originally expected from the historical drill holes. The assay results reported to date from thirty-eight drill holes continue to show low levels of sulphur and phosphorous.

In the Roberts Lake Area, 1,086 m were drilled on the Kayak Bay Zone. Eight historical drill holes were twinned on six sections stretching over an iron formation strike length of 2,300 m with widths of 50 m plus.

The Company is awaiting the assay results on the 69 remaining drill holes.

Resource Estimate

The Company has access to an extensive amount of historical data in respect of all three of its project areas (Hopes Advance, Roberts Lake and the Morgan Lake Project Areas). Hopes Advance has been the initial focus of work completed to date given the extent of work done historically on this particular deposit. Drill holes have been targeted and twinned based on historical information, along with certain extension targets identified and drilled.

Eight different mineralized areas were identified at Hopes Advance for inclusion into a resource estimate. These eight areas included Castle Mountain, Zone 2, Zone 4, Iron Valley, Bay Zone F, Bay Zone E, Bay Zone D, and Bay Zone C. Three additional historically identified mineralized areas (Bay Zones A and B, and McDonald Zone) were not considered in the resource estimate at this time due to limited available historic drill hole results and assays from recent drill holes that have not yet been received. Each individual mineralized area was developed separately as a discrete block model and estimated using inverse distance cubed interpolation. Based on the very strong correlation between the historic and modern drilling, the historic drillhole data was also used in the resource estimate. The resource model is stratigraphic in nature and during resource estimation an unfolding technique was used to ensure that iron grades tracked along the stratigraphy.

The mineral resource estimate is effective as of the 9th of September 2011. There are approximately 115 holes that the Company has completed at Hopes Advance, both twinned and step-out, that are in the process of being analyzed and as such, the Company expects to release an updated resource estimate later this year reflecting the holes that are yet to be reported. All of the new drilling at Hopes Advance was used to delineate the stratigraphic model used in the various block models. Using a 25% total iron cut-off, the global mineral inventory is shown below in Table 1.

Table 1 – NI 43-101 Global Mineral Inventory for Hopes Advance (at a 25% Fe cut-off)

Resource Classification	Resource Tonnes	Fe (%)	Crude to Concentrate Weight Recovery
Indicated	461,533,000	32.0	38.5%
Inferred	1,030,455,000	32.3	38.9%

- (1) Mineral resources which are not mineral reserves do not have demonstrated economic viability. The estimate of mineral resources may be materially affected by environmental, permitting, legal, title, socio-political, marketing, or other relevant issues.
- (2) The mineral resources presented here were estimated using a block model with parent blocks of 50x50x15 meters sub-blocked to a minimum size of 25x25x1 meters and using Inverse Distance Cubed methods for grade estimation. A total of 8 individual mineralized areas were identified and each estimated into a separate block model. Given the continuity of the iron assay values, no top cuts were applied. All resources are reported using an iron cut-off of 25%.
- (3) The quantity and grade of reported inferred resources in this estimation are uncertain in nature and there has been insufficient exploration to define these inferred resources as an indicated or measured mineral resource and it is uncertain if further exploration will result in upgrading them to an indicated or measured mineral resource category.

- (4) The mineral resources in this press release were estimated using the Canadian Institute of Mining, Metallurgy and Petroleum (CIM), CIM Standards on Mineral Resources and Reserves, Definitions and Guidelines prepared by the CIM Standing Committee on Reserve Definitions and adopted by CIM Council on November 27, 2010.

Using each block model, Whittle economic pit optimization was completed and economic pit shells developed. These shells were then used to develop detailed mine designs including ramps and berms from which an in-pit mineral resource estimate was generated. Table 2 below describes the in-pit mineral resources for Hopes Advance.

Table 2 – NI 43-101 In-Pit Mineral Resource Estimate Hopes Advance Bay (25% Cut-off)

Category	Tonnes	Total Fe (%)	Weight Recovery (%)
Indicated	358,362,000	31.8%	38.2%
Inferred	872,423,000	32.4%	39.0%

- (1) Mineral resources which are not mineral reserves do not have demonstrated economic viability. The estimate of mineral resources may be materially affected by environmental, permitting, legal, title, socio-political, marketing, or other relevant issues.
- (2) The mineral resources were estimated using a block model with parent blocks of 50x50x15 sub-blocked to a minimum size of 25x25x1 and using Inverse Distance Cubed methods for grade estimation. A total of 8 individual mineralized domains were identified and estimated. Given the continuity of the iron assay values, no top cuts were applied. For a “potential open pit” mineral resource a cut-off grade of 25% total iron is based on a Whittle optimized pit shell and a mining recovery of 100%. Using this Whittle optimized shell as a basis, mineable pit shapes were developed for each mineralizing domain.
- (3) The quantity and grade of reported inferred resources in this estimation are uncertain in nature and there has been insufficient exploration to define these inferred resources as an indicated or measured mineral resource and it is uncertain if further exploration will result in upgrading them to an indicated or measured mineral resource category.
- (4) The mineral resources in this press release were estimated using the Canadian Institute of Mining, Metallurgy and Petroleum (CIM), CIM Standards on Mineral Resources and Reserves, Definitions and Guidelines prepared by the CIM Standing Committee on Reserve Definitions and adopted by CIM Council November 27, 2010.

Table 3 below presents the tonnes and grades from the block model used for the Mineral Resource estimate at a range of cut-off grades within a Whittle pit shell in order to demonstrate the sensitivity of the estimates. The cut-off value of 25% total iron “potential open pit” was derived using the parameters listed in Table 4 below. Please note that a hard, metallurgical iron cut-off of 25 percent total iron was used as well as the economic cut-off. This hard cut-off was applied to reflect an optimal minimum iron grade for processing in the concentrator.

Table 3 – Whittle Sensitivity of the “Potential Open Pit” Resource Estimates at Various Cut-off Grades

Measured + Indicated				
Cutoff	Resource Tonnes	Fe (%)	Weight Recovery	Concentrate Tonnes
20.0	513,998,000	31.1	37.4%	192,406,000
22.5	506,290,000	31.3	37.6%	190,383,000
25.0	461,533,000	32.0	38.5%	177,540,000
27.5	387,254,000	33.1	39.8%	154,169,000
30.0	325,140,000	33.9	40.8%	132,629,000
32.5	237,839,000	34.8	41.9%	99,647,000
35.0	107,871,000	36.0	43.3%	46,723,000
37.5	2,755,000	38.1	45.8%	1,262,000
40.0	0	0.0	0.0%	0
Inferred				
Cutoff	Resource Tonnes	Fe (%)	Weight Recovery	Concentrate Tonnes
20.0	1,167,385,000	31.3	37.7%	439,874,000
22.5	1,146,541,000	31.5	37.9%	434,466,000
25.0	1,030,455,000	32.3	38.9%	401,004,000
27.5	873,426,000	33.4	40.2%	351,308,000
30.0	724,009,000	34.4	41.4%	299,676,000
32.5	548,893,000	35.4	42.6%	233,717,000
35.0	284,985,000	36.9	44.4%	126,408,000
37.5	82,343,000	38.6	46.4%	38,227,000
40.0	8,788,000	40.7	49.0%	4,308,000

Table 4 – Hopes Advance Bay Whittle Economic Pit Optimization Assumptions

Item	Units	\$
Mining Cost	\$/t all material	\$2.71
Process Cost	\$/t resource	\$14.87
Pipeline	\$/t product	\$1.08
Port	\$/t product	\$3.00
Camp	\$/t product	\$1.50
G&A	C\$/t product	\$1.50
Royalty	%	2.0%
Concentrate Value	\$/t product	\$100.00

It should be noted that the resource numbers presented in Table 4 above are for resulting Whittle pit shells and not the designed in-pit mineral resources presented in Table 2, or any Preliminary Economic Analysis being completed in respect of Hopes Advance.

It is expected that a high percentage of the inferred tonnes will convert to an indicated status upon receipt of positive metallurgical data over the next two months.

Comparison to Historic Resource Data

Extensive work in the 1950's defined a historic resource at Hopes Advance of 591 million tonnes "Drill Indicated" at 35.7% Soluble Iron and 228.6 million tonnes "Potential" at 35.0% Soluble Iron.

These are historical resource estimates that do not comply with the current Canadian Institute of Mining, Metallurgy and Petroleum Resources (CIM) Definition Standards on Mineral Resources and Mineral Reserves as required by National Instrument 43-101 (NI 43-101) Standards of Disclosure for Mineral Projects. These historical resource estimates were described as "drill indicated" and "potential" at the time of reporting which does not correspond to the categorization set forth in sections 1.2 and 1.3 of NI 43-101. Although these historical resource estimates are relevant to support the presence of large areas of iron mineralization, these estimates are speculative, are based on very limited exploration drilling and will require extensive new exploration and metallurgical efforts to validate. They should not be treated as current mineral resources or reserves or relied upon until confirmed by current exploration and a Qualified Person. A Qualified Person has not done sufficient work to upgrade or classify these historical resource estimates as current NI-43-101 compliant mineral resources. The Hopes Advance historic resource was reported in 1958. Further information in respect of these historic resources is outlined in a 43-101 technical report prepared by Micon entitled "Technical Report on the Ungava Iron Property - Ungava Bay Region, Quebec, Canada" dated Oct. 29, 2010, available on SEDAR.

Results from the current NI 43-101 compliant resource estimate shows that the current work has expanded the historic resource on an "area by area" basis, and the Company believes that further expansion is likely. This is primarily due to the fact that the Company has identified a number of instances where mineralization continues where historically the assumption had been that mineralization had stopped. In addition, the Company has conducted 45 step-out holes of which only the geology has been taken into account. Assays for these step-out holes are still pending and should further expand the resource base beyond the historical resource area. These assays have not yet been taken into account in estimating the resource estimate herein, but suggest that the mineralization extends past the current pit boundaries.

Resource Statement

The mineral resource estimates in this press release use the Canadian Institute of Mining, Metallurgy and Petroleum (CIM), Standards on Mineral Resources and Reserves, Definitions and Guidelines prepared by CIM Standing Committee on Reserve Definitions and adopted by CIM Council on November 27, 2010. The mineral resource estimates provided in this report are classified as "measured", "indicated", or "inferred" as defined by CIM.

According to the CIM definitions, a Mineral Resource must be potentially economic in that it must be "in such form and quantity and of such grade or quality that it has reasonable prospects for economic extraction". For the Hopes Advance iron deposit, an iron cut-off grade was assigned based

on economic assumptions and metallurgical parameters and was used in the resource estimations. Table 3 above shows the economic parameters used in the iron cut-off grade calculation. Resources reported in this press release use an estimated potential open pit iron cut-off of 25% total iron content.

The mineral resource estimate presented in Tables 1 and 2 is effective as of 9 September 2011. The mineral resources listed in Tables 1 and 2 were estimated by Sam J. Shoemaker, Jr., M.AusIMM, and Registered Member-SME. Mr. Shoemaker is a QP as defined in NI 43-101 and is independent of the Company.

Eddy Canova, P.Geo.(Q403), the Exploration Manager for the Company and a Qualified Person as defined by NI 43-101, has reviewed and is responsible for the technical information contained in this news release.

The complete report in respect of the resource estimate will be filed on SEDAR and on the Company's website within 45 days of this news release.

OCEANIC IRON ORE CORP. (www.oceanicironore.com)
On behalf of the Board of Directors

"Steven Dean"
Chairman and Chief Executive Officer
+1 604 566 9080

This news release includes certain "Forward-Looking Statements" as that term is used in applicable securities law. All statements included herein, other than statements of historical fact, including, without limitation, statements regarding potential mineralization and resources, exploration results, and future plans and objectives of Oceanic Iron Ore Corp. ("Oceanic", or the "Company"), are forward-looking statements that involve various risks and uncertainties. In certain cases, forward-looking statements can be identified by the use of words such as "plans", "expects" or "does not expect", "scheduled", "believes", or variations of such words and phrases or statements that certain actions, events or results "potentially", "may", "could", "would", "might" or "will" be taken, occur or be achieved. There can be no assurance that such statements will prove to be accurate, and actual results could differ materially from those expressed or implied by such statements. Forward-looking statements are based on certain assumptions that management believes are reasonable at the time they are made. In making the forward-looking statements in this presentation, the Company has applied several material assumptions, including, but not limited to, the assumption that: (1) there being no significant disruptions affecting operations, whether due to labour/supply disruptions, damage to equipment or otherwise; (2) permitting, development, expansion and power supply proceeding on a basis consistent with the Company's current expectations; (3) certain price assumptions for iron ore; (4) prices for availability of natural gas, fuel oil, electricity, parts and equipment and other key supplies remaining consistent with current levels; (5) the accuracy of current mineral resource estimates on the Company's property; and (6) labour and material costs increasing on a basis consistent with the Company's current expectations. Important factors that could cause actual results to differ materially from the Company's expectations are disclosed under the heading "Risk Factors" in the Company's Filing Statement dated November 22, 2010 (a copy of

which is publicly available on SEDAR at www.sedar.com under the Company's profile) and elsewhere in documents filed from time to time, including MD&A, with the Toronto Stock Exchange and other regulatory authorities. Such factors include, among others, risks related to the ability of the Company to obtain necessary financing and adequate insurance; the economy generally; fluctuations in the currency markets; fluctuations in the spot and forward price of iron ore or certain other commodities (e.g., diesel fuel and electricity); changes in interest rates; disruption to the credit markets and delays in obtaining financing; the possibility of cost overruns or unanticipated expenses; employee relations. Accordingly, readers are advised not to place undue reliance on Forward-Looking Statements. Except as required under applicable securities legislation, the Company undertakes no obligation to publicly update or revise Forward-Looking Statements, whether as a result of new information, future events or otherwise.

Neither the TSX Venture Exchange nor its Regulation Services Provider (as that term is defined in the policies of the TSX Venture Exchange) accepts responsibility for the adequacy or accuracy of this release.